

Minneapolis Community Development Agency

## Request for City Council Action

Date: June 24, 2002

To: Council Member Lisa Goodman, Community Development Committee  
Council Member Barbara Johnson, Ways and Means/Budget Committee

Prepared by Phil Handy, Phone 612-673-5010

Approved by Chuck Lutz, MCDA Interim Executive Director \_\_\_\_\_

**Subject: Appropriation for Saks Parcel**

**Previous Directives:** On June 7, 2002, the City Council and MCDA Board of Commissioners directed staff to allow the Ground Lease between MCDA and Brookfield for the Saks Parcel of Gaviidae I to expire and to enter into agreements that may be necessary to provide for the efficient operation and management of the Saks Parcel.

**Ward:** 7

**Neighborhood Group Notification:** Not applicable.

**Consistency with *Building a City That Works*:** Not applicable.

**Comprehensive Plan Compliance:** Not applicable.

**Zoning Code Compliance:** Not applicable.

**Impact on MCDA Budget:** (Check those that apply)

- ☐ No financial impact
- ☒ Action requires an appropriation increase to the MCDA Budget
- ☒ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

**Living Wage / Business Subsidy:** Not applicable.

**Job Linkage:** Not applicable.

**Affirmative Action Compliance:** Not applicable.

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**RECOMMENDATION:**

**Amend the 2002 MCDA Appropriation Resolution to increase the appropriation in Fund EDP (Defaulted Property Management) by \$3,365,356 and to increase the revenue budget in Fund EDP (3715-Rental Income) by \$3,721,440.**

This request creates the necessary initial appropriation and fund designation to provide for the receipt of revenues and authorize the expenditure of funds related to the on-going management responsibilities of MCDA as owner and landlord of the "Saks Parcel" within the Gaviidae I complex. The appropriation and revenue amounts are based on annual operating pro forma data supplied by Brookfield and reviewed by the Agency's appraisal consultant. The amounts are gross rather than net in nature because the specific responsibilities for property management and capital improvement expenditures have yet to be determined through discussions with Brookfield. Such responsibilities and amounts will be refined and reflected through the 2003 Budget process and through further amendments to the 2002 MCDA Appropriation as required.